Bhubaneswar-Delhi and Bhubaneswar-Kolkata sector as well in the above scheme with adequate justification; and

(c) if so, the status of the proposal and the time-frame within which it would be approved to help the air passengers from Orissa?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) With the introduction of 'EASY FARES' with effect from 5th July, 2005 the APEX fares have ceased to exist. Mumbai-Bhubaneswar and Kolkata-Bhubaneswar are the sectors with have been covered under the Easy Fares Scheme.

Rate of interest on home loans

*95. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India proposes to increase the rate of interest on home loans;

(b) if so, since when it is proposed to be increased;

(c) the extent to which it shall have an adverse effect on the persons who have taken such loans; and

(d) steps to be taken by Government to protect the common man from the builders?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) Interest rates on advances above Rs. 2 lakh have been deregulated. These interest rates are determined by the banks themselves with the approval of their Boards. In order to enhance transparency in bank's pricing of the loan products, banks have been advised to fix their Benchmark Prime Lending Rate (BPLR) after taking into account considerations such as actual cost of funds, operating expenses, minimum margin to cover regulatory requirement of provisioning/capital charge and profit margin. Accordingly, banks are now fixing interest rates to be charged to a particular borrower subject to BPLR and spread guidelines. However, banks are free to charge interest on housing loans without reference to their BPLR. Therefore, the rate of interest on housing loans may be below or above the BPLR. Banks also have freedom to offer loans on floating rates by using market benchmarks in a transparent manner.